

Affairs and some other dignitaries. He also met the Finance Minister on January 29, 2001. During this meeting, he expressed sympathy for the victims of the Gujarat earthquake. Issues relating to Bilateral Development Cooperation, Investments and WTO also came up for discussion.

(c) No formal agreements were signed during the Commissioner's visit.

(d) Does not arise.

Scheme for Revival of Dunlop India Limited

*3. SHRI DIPANKAR MUKHERJEE: Will the Minister of FINANCE be pleased to refer to Unstarred Question No. 3178 given in Rajya Sabha on the 19th December, 2000 and state:

(a) the share holding of Financial Institutions in Dunlop India Ltd. (DIL);

(b) whether the Revival Scheme under consideration of BIFR has the approval of Nominee Directors of FIs in DIL Board;

(c) whether DIL is the only indigenous producer of aero-tyres used by Indian Air Force; and

(d) if so, the action being taken by Government to protect the interest of FIs, small investors, Banks and Air Force and to ensure holding on operations of DIL?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) As per the information submitted by the Company in July 2000, Financial Institutions (FIs) held 33.27 per cent of the paid-up equity capital of the company as on 30th June, 2000.

(b) and (c) Yes, Sir.

(d) Dunlop India Limited (DIL) was referred to BIFR in February, 1998. The matter is listed in BIFR for hearing on 28.3.2001 and any further action in the case would be in accordance with the decisions/directions of BIFR under the provisions of SICA, 1985. In the interests of Defence Forces, efforts have already been made to establish alternate sources for supply, while at the same time ensuring "holding on" operations of DIL by quality Assurance support.

Loans Advanced by the PNB and other Nationalised Banks to HDFC

*4. SHRI BHAGATRAM MANHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Punjab National Bank and other nationalised banks have advanced Rs. 1500 crores to Housing Development Finance Corporation Ltd. (HDFC) much below the Prime Lending Rates (PLR);

(b) the present position with regard to the amount advanced and the rate fixed therefor *vis-a-vis* PLR in each case,

(c) whether HDFC has violated the conditions of banks;

(d) if so, the details thereof; and

(e) the action taken by the RBI in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHEPATIL): (a) and (b) Reserve Bank of India had issued instructions in September, 1995 according to which banks were directed to charge a fixed rate of interest of 1.5% below their Prime Lending Rate for advances above Rs. 2 lakhs on housing finance granted to housing finance intermediary agencies for on-lending to ultimate beneficiaries. These instructions were issued because it was felt that loans made available by commercial banks to housing finance agencies for on-lending to ultimate beneficiaries should be at somewhat lower rates than the banks themselves would charge in case of direct lending. Under revised instructions issued by RBI on 21st October 1997, on loans given to such institutions, banks were allowed to charge interest at